

PRESIDENT: The bill is advanced. Excuse me. I am sorry. We adopted the amendment. We did not move the bill and I phrased...I read the vote wrong. The question was phrased properly. We still have the bill. Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, the reason for the introduction of this bill is that in the event that a company would like to take over a Nebraska based company, they can make a tender offer for the stock. They make this tender offer through news media and frequently this offer would be for an amount that would be in excess of that for which the stock is trading for in the market. Oftentimes this looks like a good deal to the individual who holds the stock and so they are inclined to sell the stock. The problem with this is that sometimes the tender offer may be made on the behalf of a company who want to acquire the assets of the Nebraska based company, reduce its assets, reduce its capital, use it within the take over company and as a result it could actually work to the detriment of the individuals who were selling their stock. A good example locally of what could happen through improper information that occurred recently in the State of Nebraska when some people became involved in I suppose you would say a fight for the control of a local bank. As a result of that, stock that was trading across the board for \$27.00 was purchased through the first offer for \$31.00. Later a subsequent offer was made because of court action that had been filed to delay the take over, a subsequent offer was made for \$40.00. Then because even further delay occurred and more people became interested, the stock issue was finally I believe the price was raised to about \$47.00 or \$47.50. This all in a matter of a few days from the initial stock offer of \$31.00. The reason that the people who had stock to sell were able to secure the higher price was because court action had been instigated to stop the take over of the bank. Now the point that we are making with the introduction of this bill is that it should not be necessary to instigate court action to protect the stockholders of a company. The premise being that if you provide a minimum amount of time, and that is what we have done in this bill, for information to be gained and for the owners of the company or for the stockholders or the management of the company to provide to their stockholders information as to what is going on, to provide information as to the purpose behind the take over, to provide information to the stockholders as to how they might best benefit, that the stockholders will, in fact, benefit from additional time. Actually what it does is slow down the amount of time that is involved in taking over a company through a tender offer. I know there is some concern about the bill. It has happened once in awhile. It has not happened often in Nebraska. There have been a few attempts made to do this. That is why I introduced the bill. But principally this bill is insurance against that kind of activity. I believe that there was testimony at the hearing that about 27 states have enacted legislation to prevent this kind of take over. It happened in the State of Pennsylvania, for example, where a major company was taken over through a tender offer, resulted in tremendous loss of jobs for that community, resulted in loss of revenue to the State of Pennsylvania and certainly did not work to the long range benefit of either the company, the state, the employees